

## INFORMATION PAPER

SAFM-RBA  
15 September 1995

### SUBJECT: Reengineering Initiatives

**1. Purpose.** To provide information concerning current reengineering initiatives being worked by SAFM-RBA.

**2. Facts:**

a. In the spirit of the National Performance Review, the Army is taking steps to enhance efficiency and improve business practices. The goal is to use innovative approaches to reduce costs, stretch resources, streamline operations, and generate revenue. Efforts to conserve limited resources on the business side of the Army will pay dividends on the readiness and warfighting side of the Army.

b. Programs and functions that do not add value, or add little value, are being eliminated or greatly reduced. Programs that support essential core requirements are being scrutinized, and where appropriate, are being reengineered to maximize benefit while minimizing costs.

c. Examples of current reengineering initiatives:

### OUT-OF-SERVICE DEBT.

**Background.** Currently one out of every four soldiers separates from active duty owing a debt to the Army. These debts are caused by overpayment of pay, allowances, entitlements, leave, bonuses, transportation costs, and travel advances. Most often the debts are not known at the time a soldier is outprocessed and a final settlement is paid before all relevant data becomes available. It is very difficult to collect these overpayments after a soldier leaves active duty and, in many cases, the cost to collect the debt exceeds the amounts to be recovered.

**Re-engineering Effort.** Policy and procedural changes have been identified to bring this problem under control. The primary focus is on debt avoidance by using a comprehensive separation checklist and more rigorous outprocessing procedures. The checklist and new procedures will become standardized across the Army and will require soldiers and their commanders to take a more responsible role in eliminating out-of-service debt problems. The new program will begin testing not later than 1 October 1995.

## **REVIEW OF OPEN ALLOTMENT PROCESS.**

**Background.** Open allotments are funds that are held by one agency, but are used by many agencies/installations. Examples of open allotments are: military training (\$120M), subsistence-in-kind (\$270M), and claims (\$90M). The agency holding the funds is responsible for fund control. However, the detailed accounting records are maintained by the user agencies/installations and the agency holding the funds does not know what funds are used until after the fact. As a result, open allotment accounts have no front end control and there is no ability to manage the dollars.

**Re-engineering Effort.** Every Army open allotment account is being reviewed to improve business practices. The goal is to tie dollars to responsibility and accountability, provide upfront accounting control and visibility, and provide incentive for better management and financial stewardship. To date, the Army has been successful in accomplishing this goal for five of the eight open allotments managed by one agency.